

**AN ORDINANCE AUTHORIZING THE CITY OF MOUNT CARROLL
TO BORROW FUNDS FROM THE
PUBLIC WATER SUPPLY LOAN PROGRAM**

WHEREAS, the City of Mount Carroll, Carroll County, IL operates its public water supply/waterworks system (“the System”) in accordance with the provisions of 65 ILCS 5/11-139-1, et. seq., and the Local Government Debt Reform Act, 30 ILCS 350/1 (collectively, “the Act”), and

WHEREAS, the Mayor and City Council of the City of Mount Carroll (“the Corporate Authorities”) have determined that it is advisable, necessary and in the best interests of public health, safety and welfare to improve the System, including the following

**the purchase and installation of new radio-read water meters,
hand-held receiver and computer software for the new meters, and
the purchase and installation of fire hydrants,**

together with any land or rights in land and all electrical, mechanical or other services necessary, useful or advisable to the construction and installation (“the Project”), all in accordance with the plans and specifications prepared by consultants of the City of Mount Carroll; which Project has a useful life of 21 years; and

WHEREAS, the estimated cost to purchase and install the Project, including engineering, legal, financial, administrative and other related expenses is \$493,000, and there are insufficient funds on hand and lawfully available to pay these costs; and

WHEREAS, the loan shall bear an interest rate as defined by 35 Ill. Adm. Code 662, which does not exceed the maximum rate authorized by the Bond Authorization Act, as amended, 30 ILCS 305/0.01 et seq., at the time of the issuance of the loan; and

WHEREAS, the principal and interest payment shall be payable semi-annually, and the loan shall mature in 20 years, which is within the period of useful life of the Project; and

WHEREAS, the costs are expected to be paid for with a loan to the City of Mount Carroll from the Public Water Supply Loan Program through the Illinois Environmental Protection Agency, the loan to be repaid from revenues of the System and the loan is authorized to be accepted at this time pursuant to the Act; and

WHEREAS, in accordance with the provisions of the Act, the City of Mount Carroll is authorized to borrow funds from the Public Water Supply Loan Program in the aggregate principal amount of \$550,000 to provide funds to pay the costs of the Project;

WHEREAS, the loan to the City of Mount Carroll shall be made pursuant to a Loan Agreement, including certain terms and conditions, between the City of Mount

Carroll and the Illinois Environmental Protection Agency;

NOW THEREFORE, be it ordained by the Corporate Authorities of the City of Mount Carroll, Carroll County, IL, as follows:

SECTION 1. INCORPORATION OF PREAMBLES

The Corporate Authorities hereby find that the recitals contained in the preambles are true and correct, and incorporate them into this Ordinance by this reference.

SECTION 2. DETERMINATION TO BORROW FUNDS

It is necessary and in the best interests of the City of Mount Carroll to construct the Project for the public health, safety and welfare, in accordance with the plans and specifications, as described; that the System continues to be operated in accordance with the provision of the Act; and that for the purpose of constructing the Project, it is hereby authorized that funds be borrowed by the City of Mount Carroll in an aggregate principal amount (which can include construction period interest financed over the term of the loan) not to exceed \$550,000.

SECTION 3. PUBLICATION

This Ordinance, together with a Notice in the statutory form (attached hereto as Exhibit "A"), shall be published once within 10 days after passage in *The Mirror Democrat*, a newspaper published and of general circulation in the City of Mount Carroll, and if no petition signed by electors numbering 10% or more of the registered voters in the City of Mount Carroll (i.e., 120) asking that the question of improving the System as provided in this Ordinance and entering into the Loan Agreement therefore be submitted to the electors of the City of Mount Carroll, is filed with the City of Mount Carroll Clerk within 30 days after the date of publication of this Ordinance and notice, then this Ordinance shall be in full force and effect. A petition form shall be provided by the City Clerk to any individual requesting one.

SECTION 4. ADDITIONAL ORDINANCES

If no petition meeting the requirements of the Act and other applicable laws is filed during the 30 day petition period, then the Corporate Authorities may adopt additional ordinances or proceedings supplementing or amending this Ordinance providing for entering into the Loan Agreement with the Illinois Environmental Protection Agency, prescribing all the details of the Loan Agreement, and providing for the collection, segregation and distribution of the revenues of the System, so long as the maximum amount of the Loan Agreement as set forth in this Ordinance is not exceeded and there is no material change in the Project or purposes described herein. Any additional ordinances or proceedings shall in all instances become effective in accordance with the Act or other applicable law. This Ordinance, together with such additional ordinances or proceedings, shall constitute complete authority for entering into the Loan Agreement under applicable law.

However, notwithstanding the above, the City of Mount Carroll may not adopt additional ordinances or amendments which provide for any substantive or material change in the scope and intent of this Ordinance, including but not limited to interest rate, preference, or priority of any other ordinance with this Ordinance, parity of any other ordinance with this Ordinance, or otherwise alter or impair the obligation of the City of Mount Carroll to pay the principal and interest due to the Public Water Supply Loan Program without the written consent of the Illinois Environmental Protection Agency.

SECTION 5. LOAN NOT INDEBTEDNESS OF CITY OF MOUNT CARROLL

Repayment of the loan to the Illinois Environmental Protection Agency by the City of Mount Carroll pursuant to this Ordinance is to be solely from the revenue derived from revenues of the System, and the loan does not constitute an indebtedness of the City of Mount Carroll within the meaning of any constitutional or statutory limitation.

SECTION 6. APPLICATION FOR LOAN

The City Mayor is hereby authorized to make application to the Illinois Environmental Protection Agency for a loan through the Public Water Supply Loan Program, in accordance with the loan requirements set out in 35 Ill. Adm. Code 662.

SECTION 7. ACCEPTANCE OF LOAN AGREEMENT

The Corporate Authorities hereby authorize acceptance of the offer of a loan through the Public Water Supply Loan Program, including all terms and conditions of the Loan Agreement as well as all special conditions contained therein and made a part thereof by reference. The Corporate Authorities further agree that the loan funds awarded shall be used solely for the purposes of the project as approved by the Illinois Environmental Protection Agency in accordance with the terms and conditions of the Loan Agreement.

SECTION 8. RESERVE ACCOUNTS

The City of Mount Carroll does not contemplate establishing any reserve accounts because it does not have any revenue bonds outstanding that would be superior or senior to the debt obligation contemplated herein.

SECTION 9. AUTHORIZATION OF CITY MAYOR TO EXECUTE LOAN AGREEMENT

The City Mayor is hereby authorized and directed to execute the Loan Agreement with the Illinois Environmental Protection Agency. The Corporate Authorities may authorize by resolution a person other than the City Mayor for the sole purpose of authorizing or executing any documents associated with payment requests or reimbursements from the Illinois Environmental Protection Agency in connection with this loan.

SECTION 10. SEVERABILITY

If any section, paragraph, clause or provision of this Ordinance is held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

SECTION 11. REPEALER

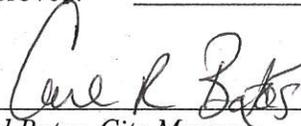
All ordinances, resolutions or orders, or parts thereof, which conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

Passed by the Council Members of the City of Mount Carroll, Carroll County, Illinois on September 13, 2016.

Introduced: September 13, 2016

Passed: September 13, 2016

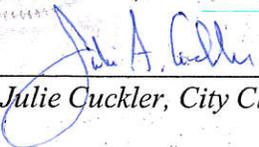
Approved: September 13, 2016



Carl Bates, City Mayor



ATTEST:



Julie Cuckler, City Clerk

Ayes: 6 Aldermen Bergren, Risko, Grim, Kaczmarski, Rose, and Powers

Nays: 0

Absent: 0